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Sent: Monday, August 22, 2022 3:37 PM
To: Jose Diaz <JDiaz@dsp.pr.gov>
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Subject: RE: ES DSP SOP PRPD & PR SIB

To Jose:

Thank you for your continued support in closing out the Compliance Review for the Puerto Rico Special Investigations Bureau (PRSIB). Your agency's request for an extension has been granted, please provide the following requested items and updates to the Standard Operating Procedure (SOP) **on or before Friday, September 30, 2022**:

Separate Bank Account for the Department of Justice (DOJ) Equitable Sharing Program (Program) Funds

- PRSIB must provide evidence of a separate bank account for DOJ Program funds that are managed by its Jurisdiction's Finance department.
- PRSIB must also provide evidence that all balances related to DOJ Program funds have been transferred out of the Puerto Rico Department of Treasury, Treasury Single Account (TSA) and into the new DOJ Program bank account and include a separate general ledger for the fund.
Note: PRSIB must remain compliant with sections VI.1, VI.2, VI.3, VI.4, and VI.5 of the July 2018 Guide to Equitable Sharing For State, Local, and Tribal Law Enforcement Agencies (Guide) when establishing a separate bank account for DOJ Program funds.

SOP Updates

- **Internal Controls:**
 - **Fund Balance Reconciliation:** Include a process for reconciling the balances on PRSIB's ESAC form, including the beginning and ending balances, revenue, interest, other income, and expenditures. This process should include determining how fund balance reconciliations will be conducted and identify the department and titles of all personnel who will be responsible for reconciling the fund balances at the end of the fiscal year.
 - **Expenditure Approval:** Include a process of how expenditures will be approved by the agency head or designee (e.g., email, paper), and governing body, when required. This process should document how PRSIB tracks expenditure approvals and ensure PRSIB complies with section VI.6, VI.9, and VI.10 of the *Guide*.
 - **Expenditure Categories:** Include a process for tracking expenditures by category that correlates to the ESAC to ensure proper reporting, including the department, titles, and key responsibilities of all personnel involved in the process.
 - **Recording of Program Transactions:** Include a process that requires all DOJ revenue, interest, and expenditures to be tracked and recorded under a separate account or account code and ensure that no other funds are commingled with the DOJ Program account or account code. The process should also include policies and procedures for recording DOJ disbursements and expenditure receipts accurately and in a timely manner, and identify the department, titles, and key responsibilities of all personnel involved in the process.

- **Distribution and Acknowledgement:** Provide evidence of the distribution and acknowledgement of the SOP to the appropriate individuals who will have responsibilities of maintaining and using equitable sharing program funds, as well as maintaining, using, and disposing equitable sharing program assets.
- **Organizational Roles and Management:** Provide an updated SOP that shows how PRSIB will develop and institute an effective management structure that clearly identifies individual departments, roles, and responsibilities designed to achieve organizational objectives. In addition, please provide a copy of PRSIB's organizational chart that identifies departments and titles of personnel involved in managing and administering the Program.
- **Procurement Procedures:** Provide updated SOPs to ensure vendors are registered with SAM.gov, PRSIB performs and documents a suspension and debarment verification check on all vendors paid with Program funds, and all procurement procedures comply with section VI.1, VI.3, and VI.5 of the *Guide*. The updated SOPs should include the department, title, and key responsibilities of all personnel involved in the process.
- **Inventory Management:** Develop internal controls and provide updated SOPs that requires PRSIB to maintain complete property records for classified assets purchased with Program funds, including a description of the classified assets, the manufacturer/model (as applicable), serial number or other identification number, source of funding/acquisition method, title holder/custodian of the property, acquisition date, cost, percentage of federal participation in the cost, location, use, assignment, and condition, and any disposition data (i.e., disposal date, disposal amount, relevant parties, etc.). The updated SOPs should identify the department, title, and key responsibilities of all personnel involved in the process and ensure the procedures and policies comply with section VI.5 and VI.8 of the *Guide*.
- **Single Audit:** A process for preparing, reviewing, and approving information related to Single Audits, including what documents will be used to verify expenditures and the department, title, and key responsibilities of all personnel involved in the process.
- **ESAC Reporting:** Expansion on the process for approving and submitting the ESAC report through the eShare portal. This process should ensure that the agency includes the appropriate signatures needed on the ESAC form (i.e., agency head and governing body), and understand that the agency will remain non-compliant until all paperwork is received and approved.

If you have any questions, please let us know.

Sincerely,

Compliance Review Team

U.S. Department of Justice

Money Laundering and Asset Recovery Section